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## Wall St. Enforcer Among the Spooks?

However else his tour at the Central Intelligence Agency is remembered, William J. Casey will be recalled as a director who wasn't reluctant to sign on independent-minded subordinates. First, there was Admiral Bobby R. Inman, who was chief of the National Security Agency and, it was said, wanted to run the C.I.A. himself; Mr. Casey made him deputy director. And now, The New York Times reported last week, Mr. Casey — the expected conservative opposition notwithstanding — is about to make Stanley Sporkin, head of the Securities and Exchange Commission's enforcement division, the agency's general counsel.

Thanks in large measure to his investigations of corporate dishonesty and to his belief that the public is entitled to know what government is up to, Mr. Sporkin is credited with restoring considerable luster to the securities commission's reputation. Mr. Casey evidently believes he can help do the same for the C.I.A. And Mr. Casey knows from first-hand experience that Mr. Sporkin is hard to push around, even when influential parties are involved. In 1972, when Mr. Casey was chairman of the securities commission, Mr. Sporkin overrode a go-slow advisory from the White House, passed along by Mr. Casey, and refused to delay an investigation of financier Robert L. Vesco.

PUBLISHERS WEEKLY  
24 April 1981

## CIA Director Calls for Bill To Punish Agent Disclosure

In his first public statement on the subject since becoming CIA director, one-time publisher William J. Casey called for legislation his former industry opposes to make it a felony to publish the names of U.S. spies.

Casey, who published "desk books" for lawyers on taxes and estate planning and who was associated with Prentice-Hall from the mid-'50s to the early '70s (*PW*, Jan. 30), told a House Intelligence subcommittee April 7 that a proposed bill to bar publication of the names "is not an assault upon the First Amendment" as critics have charged. He said the proposed bill "would not inhibit public discussion and debate about U.S. foreign policy or intelligence activities. . . ."

He said the proposal, a copy of one that failed to pass Congress last year because of the press of time, "is carefully drafted and narrowly drawn to deal with conduct which serves no useful informing function whatsoever; does not alert us to alleged abuses; does not bring clarity to issues of national policy; does not enlighten public debate; and does not contribute to an educated and informed electorate."

Casey repeated past CIA assertions that previous disclosures have led to the death of at least one agent, attempts on at least two others, and a great deal of damage to the agency's intelligence-gathering ability.

Critics followed Casey to the witness stand the next day to state that getting at *Covert Action Bulletin*, which is the intent of the legislation, unnecessarily

sweeps in legitimate news gathering and publishing operations. The avowed purpose of *Covert Action*, which has disclosed hundreds of CIA agent names in the past, is to stop covert actions abroad.

The Association of American Publishers, which testified against the measure last year, was not allowed to testify this year, but prepared a statement in opposition.

Mort Halperin and Jerry Berman of the American Civil Liberties Union told the panel that "despite the diligent efforts of the committee and its staff, the bill before you will not accomplish what you seek—an end to the publication of the names of CIA employees." They said it would "chill public debate on important intelligence issues and is unconstitutional . . . because there is no practical or constitutional way to accomplish the objectives of this legislation."

Robert Lewis of the Reporters Committee for Freedom of the Press said his organization was "concerned about the dangerous impact that this bill and related legislation will have on the freedom and abilities of reporters, editors, authors and scholars to keep the public informed about activities of the government."

He noted that of seven bills before Congress, five, including the one being heard by the subcommittee, would punish persons who have never had access to classified information for publishing agents' names, regardless of how they got them. He said, "We believe that such legislation, which would permit the prosecution of any

newspaper, broadcaster, publisher, author, journalist or any other member of the public, is unconstitutional and a direct infringement of the First Amendment."

Although the bill under consideration has the support of the leaders of both parties in the House, it was not likely to be acted on by the committee until late May or June. The bill, approved by the committee last year, would provide for a fine of up to \$50,000 and 10 years in jail for violators.

A major stumbling block that doomed legislation last year remains this year. It centers on efforts in both houses to narrow the effect of the bill by attempting to confine it to the intent of the discloser. But because of the important support in the House and a new Senate more disposed to side with the CIA, some version of a bill banning the publication of agents' names was expected this year. HOWARD FIELDS

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THE WASHINGTON POST  
24 April 1981

*Rowland Evans and Robert Novak*

## The Air Force Worked Too Fast

Presidential counselor Edwin Meese III personally handled details launching President Reagan's campaign to sell AWACS radar planes to Saudi Arabia, showing Reagan's commitment to what is best for U.S. interests in the Persian Gulf despite Israeli objections.

An earlier rescue mission by Meese might have prevented the disarray between the State and Defense departments. The clash between Secretary of State Alexander Haig and Gen. David Jones, chairman of the Joint Chiefs of Staff, almost blew up the AWACS package before it was tied. As it is, the administration still faces an uphill climb to win Senate approval.

Shortly before noon on April 21, Meese placed a conference call to Haig and Secretary of Defense Caspar Weinberger to plan Reagan's kickoff statement later that day. Meese's personal involvement resolved doubts about Reagan's own intent to make Saudi Arabia a full partner in protecting the Persian Gulf oil jugular.

Meese also helped draft the statement in Reagan's name, declaring that sale of the five airborne radar ships was "essential to protect our interests." That contradicted the authoritative memorandum published by the American Israel Public Affairs Committee, which mirrors Israel's views, that the sale "will seriously endanger American interests."

Jones (an Air Force officer) and Air Force generals had negotiated the AWACS deal in detail in late March after a tentative go-ahead from the National Security Council in mid-February. Secret negotiations were conducted in the Pentagon with two top Saudi air force commanders.

Why did Jones rush the sale? For one thing, with Saudi Arabia completely lacking high mountaintops for fixed radar, Jones wants the Saudis to have their own AWACS for future 24-hour surveillance of one of the world's most strategic regions. For another, the \$1 billion to \$2 billion price of the five sophisticated AWACS is money saved by the Pentagon that would otherwise be spent, making the deal a budget bonanza.

When the NSC met on the subject for the second time April 1 (without the hospitalized president), Haig was astonished to learn that the AWACS deal had been concluded. So was Vice President George Bush, presiding over the NSC in Reagan's absence. Bush asked Weinberger: Have we gotten assurances that the Saudis will pool their information with us (when the AWACS are deployed in 1985)? The answer: No!

Obtaining such approval was the State Department's job, but so rapidly had the Air Force negotiations been conducted that Haig's men were left behind. Word flashed through Congress that Saudi Arabia, America's oldest friend in the Middle East, had not agreed to "pool" the vast intelligence expected out of the AWACS. The Israeli lobby had new and telling ammunition.

When Haig returned from the Mideast 10 days later, he brought private Saudi assurances to pool the surveillance product of the five AWACS. More than that, Haig brought back strong indications that, although the Saudis would never admit it publicly, the five aircraft plus 62 F15s previously sold along with other American military aid would, in fact, give the United States a greatly enhanced presence in the desert kingdom. Thus, the deal was clearly in U.S. interests.

But if the AWACS were not sold because of a congressional veto, all would be transformed. Haig was cautioned with typical Saudi circumlocution that the kingdom would quickly cool its ardor for the long-standing American partnership.

When Haig reported these facts to Reagan after his return here, congressional opposition to the sale was beginning to peak. Thanks to Davy Jones' end run, none of the lobbying work normal in such cases had been done. The speed of the Air Force brass in completing the deal outpaced the ability of the politicians to keep up.

That handed the president a dilemma. To change his mind about the AWACS would bring the beginning of the end of the U.S.-Saudi alliance, a fact not disputed by military or diplomatic specialists here. But to affirm the sale officially would trigger severe political opposition, more from the pro-Israel lobby here than from the Israeli government.

Haig, Weinberger, CIA Director William Casey and Bush all argued that Reagan could not let Israel wield a veto on U.S. foreign policy in the Middle East. Strongly agreeing with them was Meese, who had taken a leading role in the April 1 NSC meeting. At the end, Meese summed up the essence of the session while Bush and other members listened.

Reagan himself showed no doubts about proceeding, nor self-deception about the political trouble he now faces in avoiding a congressional veto. But down deep, the president believes that, after a delay of a few months, he can persuade Congress that he knows more about America's "interests" in the Persian Gulf area than Israel does.

PHILADELPHIA BULLETIN  
24 April 1981

## Can Mr. Clean bring candor to the CIA?

It seems like an almost impossible assignment but it may be the smartest move William J. Casey, the new Central Intelligence Agency director, has made. Casey has hired Stanley Sporkin — son of Philadelphia Common Pleas Court Judge Maurice Sporkin — to be his general counsel.

From Casey's viewpoint, Sporkin is the perfect choice. Sporkin, at 49, is the most feared man on Wall Street. As the Securities and Exchange Commission's chief enforcement officer, and both a lawyer and a certified public accountant, Sporkin led the investigations of fugitive financier Robert L. Vesco and President Carter's close friend and budget director Bert Lance. Sporkin also resisted attempts by the Nixon White House to stifle the Vesco investigation. His courage saved Casey, who was Sporkin's boss at the SEC, from involvement in the Watergate disaster.

From the CIA's viewpoint, though, Stan Sporkin is an unlikely choice. Sporkin is super clean, which has protected him from attempts to discredit him and his work at the

SEC. He hates corruption. He is an advocate of openness in government. All that seems to be at counter purposes to the CIA, the clandestine arm of the United States government. But, as one former CIA official said, Sporkin's presence could serve as a balance between secrecy and candor.

Sporkin's replacement at the SEC, which polices the nation's business and financial communities, will send a clear signal to corporate America of what kind of treatment it can expect from the Reagan Administration.

John S.R. Shad, who takes over the SEC in May, says he believes in enforcement but is aware of complaints that Sporkin's division has been heavy-handed and overzealous. "If it has," Shad said, "that is not desirable."

Sen. William Proxmire, a Sporkin admirer, however, thinks Reagan and Shad should "bend over backwards" to find another Sporkin. We agree. The nation needs the best financial police officer it can get.

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## A Talk With Sen.

*Sen. Jeremiah Denton (R-Ala.), head of the Senate subcommittee on security and terrorism, recently discussed the role of his members of the editorial page staff. The subcommittee hearings on terrorism begin today.*

**Q:** What is the mandate of this committee?

**A:** My concept has undergone some transformation. I've got two nouns: Security and Terrorism. Those are very broad terms, at least security is. It's almost omnivorous. I temporarily had the impression that my jurisdiction was purely domestic terrorism. But as I have proceeded with this thing and have been asked to work with the Select Committee on Intelligence by Sen. Barry Goldwater, asked to talk with CIA Director Bill Casey and having seen that there is sort of turf problem with the CIA and the FBI which we are reading about—and it's natural, it's bureaucratic—I find that they want me to look at the whole circuitry. I'm sure that farther down the pike we may be coming across some American who is being used as an agent, but that is an infinitesimal part of it. I'm not even thinking about that right now.

**Q:** In six, eight months, a year from now, do you see this committee as having other functions and mandates?

**A:** No. I don't see it happening. Functions and mandates, but only in the context of what I have already outlined.

**Q:** Joel Lisker, your subcommittee's staff director, is quoted in *The Washington Post* as saying that the subcommittee has a secret agenda. That's an exact quote. Organizations that it intends to investigate. Does the subcommittee have a secret agenda?

**A:** I don't know what he is talking about. I have never heard of it. I mean, he doesn't set the hearings up. I do. I told him what business I wanted to get done. He comes from an FBI background, okay?

**Q:** They have secret agendas?

**A:** They have secret agendas. I don't even know what he means. A secret agenda. That's pretty good. I can't imagine Joel being dumb enough to say something like that.

**Q:** Are you aware of the anxieties expressed by civil libertarians and others about the subcommittee's creation, given the past history of internal security subcommittees?

**A:**

mistakes made in the past, if one works from the conclusion that the government is infiltrated, infested with communists, and undertakes to prove suspicions about individuals, that is about 180 degrees away from where I am starting. I am springing from the assumption that every institution in the United States from academe to the media to the government and to the FBI recognizes that there are unmet, unchallenged, even unidentified threats to U.S. security.

But we are the opposite of proper subjects for disapproval by the civil libertarians. The object of preserving security is to preserve the civil liberties we enjoy. We're not going to transgress those civil liberties in our effort.

**Q:** How do you reassure those civil libertarians on very specific issues of the handling of hearings?

**A:** I could reassure them most simply in terms of my personal relationships. Although I had political disagreements with Allard Lowenstein, I had scores of hours of conversations with him. He didn't have any fears that, if I ever got involved in something like this, I would bulldoze around in it.

**Q:** Let's talk about McCarthyism and McCarthy techniques. You have said you want to avoid all that. Can you tell us what your conception of McCarthyism is?

**A:** We might have 30 major concepts of what McCarthyism is, and mine is not that firm. I don't say that everything he did was wrong. I just don't know that much. My own perception of him on television was one that turned me off, and I watched the guy. However, I don't know that much in detail about how evil the guy's motives or even techniques were.

**Q:** But there is something you want to avoid?

**A:** Well, the objective of his thrust had to be individuals within the United States who were disloyal. That is not what I am doing, nor is it in my sights to focus in on that. Having said that, let me remind you that in looking at the

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THE WASHINGTON POST  
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# The Hotshots' Hot Spots

## The Where-to-Be Scene for the Reaganites

By Elisabeth Bumiller

It is a mighty tribal rite. Each new administration in Washington must select a haunt to call its own, a place to drink Scotch and eat trout, influence and inform, gossip and — perhaps most crucially — be gossiped about. In short, the "in" spot for the "in" crowd.

The Carter White House drank at Sarsfield's, or at least they did until Hamilton Jordan allegedly spewed Amaretto on a young lady near the bar. The Kennedys discovered Sans Souci, the Washington noontime institution that was in, out, then in again. Now it's been taken over at lunch by the Federal City Club and thus, removed from the running.

In the fledgling Reagan era, there are two spots, one old and one new, that have emerged as early hangouts. It's the Class Reunion for drinks, Maison Blanche for lunch.

There's clear evidence. At "The Class," as you're supposed to call it, the Republican end of the bar looks like Detroit, July 1980. And at Maison Blanche, grazing contently at table 14, you can find that true barometer of lunchtime chic: columnist Art Buchwald, refugee from the "Sana." "Wherever I eat lunch," he decrees, "is the in place."

### Maison Blanche

Lunchtime, yesterday. "Ordering one floundarrrrre," sings the chef, his French accent as delicious as the scent of butter and garlic. "Ordering one shad roe. Ordering two scallops du jourrrr..."

Outside the swinging kitchen door are dark leather banquettes, twinkling chandeliers and shiny, technicolor pastries. The place is big and bright, with tables spaced too far for effective eavesdropping. But people manage.

At the same time, waiters scamper and wine corks gently burp. Eyes turn from plates to door, determining what famous person is walking in next. With each new sighting, the diner feels delightfully smug. What *savoir faire* to find an in place — and slightly ahead of the crowd.

Here's who's been in lately:

Presidential counselor Edwin Meese. White House Chief of Staff James Baker, dining three weeks ago with Michael Deaver, deputy chief of staff. (That really put the place on the map.) CIA Director William Casey. Barbara Bush, wife of the vice president. Ethel Kennedy, despite political affiliation. Attorney General William French Smith. Henry Kissinger with former national security adviser Zbigniew Brzezinski. (Everyone in the place murmured.) White House political director Lyn Nofziger. "I don't go there to see and be seen, my dear," he says. But he does go a lot.

\* \* \* \*

There are other Washington lunch spots, Mel Krupin's in particular, that attract the Reagan White House. But Krupin, the former manager at the original power lunch spot, Duke Ziebert's, appears to pull in a few more Democrats. And besides, Maison Blanche has the geographic advantage of being one block from 1600 Pennsylvania Ave. It's pronounced "May-zon Blonsh," and means White House in French.

"We didn't do anything," says Tony Greco, the owner, "we just happened to be across the street." Perhaps he has simply forgotten the ad his restaurant placed in a local magazine that describes it as attracting "famous legislators, foreign dignitaries and other celebrities."

What makes a restaurant like Maison Blanche suddenly "in" has less to do with its generally accepted good food and service and more to do with the peculiar nature of Washington itself. In this case, the temporary power vacuum after the last election created the usual mass insecurity about where to go. But then, slowly, high-profile White House reporters began having lunch with transition sources there.

After Jan. 20, those sources became White House celebrities. And after that, word-of-mouth and gossip columns did the rest. Where Meese, Baker and Deaver go, so goes the nation's capital.

"That's incredible," says Baker, informed that he's helped create a Washington "in" spot. "I just like the food, and it's easy to get to."

MARY McGRORY

## From SEC Bloodhound To the CIA's Lawyer

Stanley Sporkin isn't the CIA type. He's paunchy and rumped, not lean and preppy, and if he wore an old school tie it would be from the University of Pennsylvania. He's not the Reagan type, either, having enforced the regulations of the Securities and Exchange Commission with a zeal that many Wall Streeters regarded as unseemly.

All the same, the bloodhound of corporate America will, on May 18, cross the river and set up shop in the CIA, as its chief legal counsel.

The appointment has set off ripples of amazement, scepticism, fear

Politically, the striking choice is seen as proof of the clout of William V. Casey, the venerable new CIA director.

for the agency he is leaving - and a wan hope that the CIA is trying to tell us it is really going straight.

Ralph Nader, who like everyone else in Washington regards Sporkin as one of the most effective and incorruptible people in government, was purely astonished by the news. On reflection, however, he thinks it would be better to have Sporkin at the CIA, "where he might learn something he might eventually tell us," than in some fat law firm.

### Numbered Days

Some people think that Sporkin's days at the SEC were numbered, because the new chairman, John Shad, will undoubtedly wish to name his own enforcement chief, possibly someone a touch less tenacious than Sporkin.

In the office of Sen. William Proxmire, D-Wis., who applauded Sporkin's relentless effort to show corporation officials that "everyone's doing it" was no excuse for bribing foreign officials, there is worry about Sporkin's successor.

And in liberal circles, there is concern that Sporkin's good name and reputation will be used to cover the drive to "unleash" the CIA from the legal constraints which its fans regard as unconscionable.

Politically, the striking choice is seen as proof of the clout of William V. Casey, the venerable new CIA director.

Some suspect that Casey may have convinced the president that Sporkin is less liberal than his prosecu-

tion of bounders in business might indicate - and cite as proof Sporkin's stated distaste for the Freedom of Information Act, which he said impeded his investigations.

But the big question is how Sporkin, a stickler for the law, will fare at an agency which once went in for lawlessness in a big way, with its domestic surveillance program, its adventures in subversion, assassination plots and drug programs.

Sporkin, sprawled in his cluttered office at the end of a long day, says it's quite simple how he came to take his new job.

"Bill Casey asked me," he says.

He and Casey had a chemistry "that's never been repeated at the Commission," he explains. "He always does the right thing. He's exciting to work for."

The two worked together in great amity during the Nixon years. When Casey was up for confirmation as CIA director, Sporkin went to bat for him with a letter exonerating Casey from all blame in the controversial ITT affair.

Sporkin cannot entertain the notion that the whole thing is a plot to get him off Wall Street's back and give the agency protective coloration.

### Faith in Casey

"Casey never took advantage of me," he says. "I have too much faith in him."

Sporkin, whose career for 18 years was "full disclosure," isn't sure how he'll make out in an agency which aims at no disclosure. He doesn't share the suspicion that it may not even tell him what it is doing.

"I believe in a strong defense," he says. "The CIA is part of it. You leave the operation to people who might not work in the best interests of the country, if you won't do it."

He gives the impression of not having thought much about the CIA until he was asked to be its lawyer, and is dismayed at any suggestion he might seek to reform it - "I won't be a policy-maker." He is reading about it - in Thomas Powers' biography of Richard Helms, in the transcript of the Senate hearings chaired by former Sen. Frank Church, who called the agency "a rogue elephant."

"There comes a time when you have to do something different," he says.

Sporkin's admirers just hope there will be some way of finding out how he does in his new job.

# SEC Enforcement May Change After Sporkin

## Legacy: Tough, Open

By John F. Berry  
 Washington Post Staff Writer

In 1978, when Stanley Sporkin, the enforcement chief at the Securities and Exchange Commission, won the government's top award for civil service, he was told he would be called to the White House for the traditional award presentation by the president — or the vice president at the very least.

But weeks went by and the White House never called. Then, one day, Sporkin finally received his coveted award. It arrived in the mail.

To Sporkin's circle of admirers, the message was clear. Sporkin and his young SEC attorneys had carried out a massive investigation of President Carter's former budget director and close friend Bert Lance. Now, they believed, Carter was getting the last word.

It is ironic that Sporkin, a liberal Democrat by instinct and an Independent by registration, should get along better with Republicans than Democrats. But in recent years, at least, Sporkin — who has become the embodiment of the SEC — has enjoyed better relations with the agency's Republican chairmen.

Yesterday, it was disclosed that William J. Casey, director of the Central Intelligence Agency and former chairman of the SEC from 1971 to 1973, had tapped the 49-year-old Sporkin to be his general counsel. Sporkin, who had saved Casey from Watergate disaster by advising him to ignore pressure from the Nixon White House to head off the

agency's investigation of Robert Vesco, is outspoken in his admiration for his former SEC boss.

The feeling is mutual, for no sooner was Casey chosen for the top CIA job, than he called Sporkin, who took the job after about two months of reflection.

The disclosure produced surprised reactions from SEC staffers, former employees and attorneys who practice securities law as the word spread through the corridors of the major law firms in Washington, New York, Houston, Chicago and Los Angeles.

Many had difficulty reconciling Sporkin's often-repeated call for open government and the inherently secretive nature of the CIA.

A former SEC enforcement attorney, now practicing in New York, says simply, "Stan took it because he's a patriot."

At least one Washington securities attorney, who is also a former CIA officer, said he thought Sporkin's openness could offer a useful balance to those in the agency who are of a secretive bent.

In fact, Sporkin has brilliantly used the threat of publicity as a lever in seeking compliance by big-business men, whose companies could easily bankrupt the tiny agency if every complaint resulted in a court fight.

Sporkin's most famous campaign was against questionable foreign payments in the 1970s when some 600 companies made voluntarily disclosures rather than face possible criminal action at a later time.

But Sporkin is known to be proudest of his role in directing the clean up of the so-called "back office" mess in the late 1960s when outdated Wall Street brokerages were forced to move into the computer age or face SEC sanctions.



# Stanley Sporkin, SEC's Toughest Cop, Gets General Counsel Post at CIA

By ROBERT A. ROSENBLATT, Times Staff Writer

WASHINGTON—Stanley Sporkin, the tough cop who stalks through the nightmares of securities lawyers and corporate chairmen, will leave the Securities and Exchange Commission next month for a top job at the Central Intelligence Agency.

Wall Street reaction to the announcement Tuesday was equally divided between astonishment and relief at the departure of the formidable SEC director of enforcement.

Sporkin's investigators and attorneys probably were most visible during the foreign payoff and bribery scandals that enmeshed hundreds of American corporations in the mid-1970s.

More than 60 SEC injunctions were filed against firms for management fraud. Another 400 frightened companies came forward voluntarily to admit a variety of abuses, including secret slush funds, kickbacks to politicians and government officials in dozens of countries, and falsification of company books and records.

Tie askew, shirttail flapping, looking perpetually exhausted, Sporkin was the driving force behind dozens of inquiries, investigations, and interrogations. When Sporkin rubbed his eyes and seemed to be dozing off, lawyers and clients often relaxed, only to be jolted into a cold sweat when Sporkin began firing tough questions.

The SEC said Tuesday that Sporkin will leave the agency after 19 years of service to become general counsel of the CIA. Sporkin was hand picked by CIA Director William Casey, former SEC chairman who once played a key role in boosting Sporkin to the head of the enforcement division.

Before the Reagan Administration took office, a transition team recommended that Sporkin be replaced as enforcement chief. As a senior civil servant, Sporkin could not be fired except for direct breach of regulations, but could be transferred. However, SEC sources said the invitation from Casey rather than any prospect of being involuntarily shifted, was the reason for Sporkin's decision to leave the SEC.

"Stan weathered a lot of storms under both Democrats and Republicans, and he could have weathered some more," one SEC official said.

Critics of Sporkin in the legal and securities communities said the enforcement division often exerts tremendous pressure on companies and business executives to agree to accept civil injunctions. Companies typically pledge not to violate securities laws in the future while neither admitting nor denying the validity of the charges covered in the injunctions. Civil cases do not require the proof of guilt beyond a reasonable doubt or any demonstration of willful violation of the law, giving SEC enforcement attorneys a big advantage. Many firms will settle rather than pay huge legal fees and suffer the bad publicity of a prolonged court contest, critics say.

Sporkin's departure "takes a big headache out of Wall Street," said a New York public relations executive whose clients have had some tough contests with the SEC over the years. "Stanley has a chip on his shoulder, but I've got to admit, it's sometimes a good chip."

A corporate executive said: "A lot of people have a tremendous respect for his integrity. I say that even though I've had some bad run-ins with him."

None of the Wall Street officials would permit their names to be used, even those who praised

Sporkin. "Discretion is the best policy any time you're discussing Stanley Sporkin," one man said.

Roderick Hills, a former SEC chairman under whose regime Sporkin and the enforcement division brought into public view the first couple of hundred corporate bribery cases, said Tuesday that the CIA job will be "a very good spot for Stan. He brings a considerable integrity with him to the CIA, he is always able to inspire loyalty and effectiveness, and the appointment will give a chance for some very bright people in the SEC enforcement division to move up," Hills said.

Sporkin did not have any immediate comment about the CIA job.

## Selection of SEC Successor to Sporkin Could Suggest Shad's Enforcement Goals

By STAN CROCK

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—When William Casey, a conservative tax lawyer, became chairman of the Securities and Exchange Commission in 1971, he surprised a lot of people by strongly supporting the SEC's enforcement division staff.

A decade later, Mr. Casey, now the director of the Central Intelligence Agency, has picked one of those enforcement staffers, Stanley Sporkin, to be the CIA's general counsel.

The selection of a successor to Mr. Sporkin, the SEC's respected enforcement chief, is likely to be the first major decision of John Shad, the SEC's new chairman. It will also offer Mr. Shad an opportunity to show what path he wants the SEC to follow.

Mr. Shad's comments about the SEC so far have been guarded, shedding only occasional light on his thinking on enforcement issues. At his confirmation hearing, he gave little indication of whether he would choose an activist such as Mr. Sporkin or someone a bit tamer.

Asked at the hearing if the SEC's enforcement efforts led by Mr. Sporkin were effective, Mr. Shad replied, "Compared to what?" and a moment later he gave a both-sides-of-the-fence response common to confirmation hearings when he said: "I think the enforcement practices of the commission have been referred to widely in the press and elsewhere by many as the most effective in government. But some have criticized such activities as heavy-handed and over-zealous."

Yesterday, Mr. Shad called Mr. Sporkin a "dedicated and capable public servant." He said he had known that the 49-year-old Mr. Sporkin's departure was "in the works" and that the selection of a replacement for the 20-year SEC veteran was a "very important decision." Mr. Shad added that he hasn't discussed the job with anyone.

A product of Wall Street, Mr. Shad will assume his post clad "in the same sort of (conservative) cloak" Mr. Casey wore, according to A.A. Sommer, a former SEC commissioner. But recalling Mr. Casey's track record, Mr. Sommer and other commission observers are loath to predict what Mr. Shad's impact on enforcement will be. "It's really premature to say," Mr. Sommer says.

It's possible Mr. Sporkin's departure next month will have little impact on enforcement activities. Arthur Mathews, a Washington securities lawyer, says that Theodore Levine, one of Mr. Sporkin's top lieutenants, is the "logical contender" if a commission staffer is chosen to head the division, adding that, if Mr. Levine is picked, "there won't be much change." But if Mr. Shad brings in "some outsider who is much more conservative,

there may be substantial change," Mr. Mathews says.

The change in leadership at the SEC and its enforcement division comes at a "terribly important period in the commission's history," says Harvey Goldschmid, a securities law professor at Columbia University Law School. He cites major decisions to be made on creating a national stock market system, a proposed recodification of the nation's securities laws, simplification of registration and filing requirements and the direction of SEC enforcement policy.

In the past few years, under Harold Williams, who retired as SEC chairman earlier this year, the commission generally stayed in traditional enforcement areas, with cases involving such matters as illegal stock trading using secret corporate information. Under restraints imposed on the division, many enforcement staffers were chafing at the bit, and close associates said Mr. Sporkin wasn't happy. The retirement last year of commissioner Irving Pollack, a former enforcement division chief, removed an outspoken division supporter from the five-member panel. It also was a personal loss for Mr. Sporkin because the two men were close friends.

The enforcement division nevertheless broke new ground, especially in the area of tender offers, when it built legal theories to combat novel ways of wresting control of companies. The commission wanted to make sure all shareholders could benefit from any premiums offered for a company's stock.

Such efforts were the hallmark of Mr. Sporkin's tenure, but it gave rise to both admiration and harsh criticism, especially of Mr. Sporkin's drive against certain payments abroad by U.S. companies. The disclosure of payoffs by hundreds of companies led Congress to enact a law barring foreign bribes.

Mr. Sporkin is a man of "dedication, imagination and intelligence," says Mr. Sommer, who practices securities law here. Donald Schwartz, a securities-law professor at Georgetown University Law School, generally agrees, but adds that the payoff cases showed Mr. Sporkin wasn't sensitive enough to the commission's limited role. The staff went after matters that weren't "within the commission's jurisdiction" and weren't "within the concern of investors," said Mr. Schwartz.

Mr. Sporkin's forceful personality also allowed the enforcement division to dominate the agency, a situation that changed somewhat during the Williams years. Mr. Sporkin's departure may mean other divisions could become its equal more quickly. This could affect, for example, disputes between the enforcement and corporation finance divisions over cutting back on disclosure requirements. The enforcement division usually opts for retaining disclosures, while the corporation finance division recommends throwing them out.

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THE WASHINGTON POST  
21 April 1981

## Sporkin Quits SEC to Join CIA as General Counsel

By Martha M. Hamilton  
Washington Post Staff Writer

Stanley Sporkin, the man who has been viewed as a thorn in the side of corporate America for his vigorous enforcement of federal securities laws, will leave his post of chief of enforcement for the Securities and Exchange Commission to become general counsel to the Central Intelligence Agency.

Sporkin, who led the SEC through a period of major enforcement activity, initially declined to comment on reports he would move to the CIA, now directed by former SEC chairman William J. Casey. Later, however, a spokesman for the CIA confirmed that the appointment will be made.

Sporkin is not expected to leave the SEC until next month. He resigns at a time when the SEC is being taken over by a new chairman, John S.R. Shad. Sporkin said he has "great, great faith in this new guy." Shad would name Sporkin's successor.

Sporkin joined the SEC in 1961 as an investigator. He was named director of enforcement in 1974 and oversaw some of the agency's best-known investigations, including revelations about bribery by American corpora-

tions abroad that led to adoption of the Foreign Corrupt Practices Act. In 1978 he received the Rockefeller Public Service Award. Some of his efforts include the agency's investigations into the dealings of financier Robert Vesco, payoffs in Honduras by United Brands and payoff schemes involving Ashland Oil and Northrop Corporation.

During the Nixon administration then-chairman Casey repeated to Sporkin a request by former Commerce secretary Maurice Stans not to push for testimony from Vesco's secretary, who knew of a \$200,000 contribution to Nixon that would be "politically embarrassing."

According to news accounts, Sporkin refused and later testified that he told Casey, "Someday you are going to be thankful for relying on my judgment on this matter." Sporkin, whose colleagues at the SEC describe him as "tenacious and full of integrity," said he believes the agency's enforcement activities will not be harmed by his departure. "Any kind of program that's going to be effective has to be vigorously enforced. I hope it will continue to be so; otherwise it won't be worth much," he said.

## Record of Openness Seen as Controversial

Stanley Sporkin, who for the past seven years has directed investigations of corporate dishonesty as chief of enforcement at the Securities and Exchange Commission, has been appointed general counsel of the CIA, according to Reagan administration officials.

The unexpected appointment, which has not been formally announced but is scheduled to become effective in mid-May, is likely to generate controversy in the intelligence community because of Sporkin's long identification with openness in business and government.

As senior legal officer of the CIA, the general counsel is the government's leading intelligence lawyer and plays a central role in intelligence policy-making.

The CIA general counsel, officials said, is often called on to review the legal ramifications of agency operations and to provide formal justification for withholding certain intelligence information from other government agencies or the public.

CIA Director William J. Casey selected Sporkin for the job, administration officials said. The two men worked together from 1971 to 1973 when Casey was chairman of the SEC.

The general counsel's job is not subject to Senate confirmation. As a result, any opposition that develops to the appointment would have to be taken directly to Casey, who reportedly has wanted Sporkin for the job since taking over the CIA in January.

The two men apparently reached an agreement within the past several weeks. According to close associates of Sporkin, he has grown increasingly unhappy at the SEC in recent years and has complained privately about diminishing support for enforcement activities.

Sporkin yesterday said he had no comment about the appointment.

In the mid-1970s, when the SEC enforcement division was most active, investigations directed by Sporkin led to revelations of extensive corruption by U.S. corporations involving payments of bribes overseas.

Some of the nation's largest corporations, including Exxon, Lockheed Aerospace and Gulf Oil, restructured their corporate administrations to prevent further payments.

## SEC Investigator to Join His Ex-Boss at the CIA

The investigations gained Sporkin a reputation for stubborn independence among its admirers. His critics accused him of overreaching the SEC's authority.

At the CIA, intelligence officials said, Sporkin will face a series of difficult issues, many of which may require him to alter a lifetime of support for open government and maximum disclosure of information.

The CIA and other intelligence agencies, for example, have sought to limit public access to their files available under the Freedom of Information Act. Arguing that agents of foreign governments can obtain information potentially damaging to the United States, intelligence officials would like to amend the law to make the CIA immune to such requests.

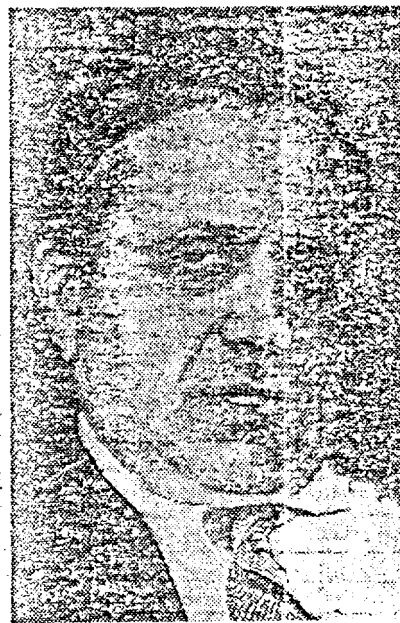
According to officials at the SEC, Sporkin opposed an effort by that agency to limit access to information under the Freedom of Information law.

Sporkin will also face the issue of establishing a legislative charter to govern the intelligence agencies. This effort, which began in the Ford administration, has foundered in Congress. As general counsel, Sporkin will be the focal point for the intelligence community's involvement in charter deliberations.

When he begins work at the agency, Sporkin will quickly be drawn into a continuing debate over whether restrictions on CIA surveillance in the United States and of American citizens abroad should be relaxed by presidential executive order. The Reagan administration is reviewing the restrictions imposed by President Carter.

Another issue concentrated in the general counsel's office, officials said, is how far the CIA should go in cooperating with the Justice Department on prosecutions of present or former agency employees accused of espionage for foreign governments.

Strains often develop between the two agencies in such cases, officials said, with the CIA usually seeking to handle matters internally whenever possible.



The Washington Star

STANLEY SPORKIN

sitive information in public trials.

When Casey was being considered for CIA director by the Senate, Sporkin supported his nomination in a letter to Sen. Daniel Moynihan, D-N.Y. Writing at the request of the Senate Intelligence Committee, Sporkin described Casey as "an able chairman and a fine person."

Sporkin also addressed allegations that Casey in 1972 attempted to limit and delay an SEC investigation of Robert L. Vesco, the financier accused of looting millions of dollars from an international mutual fund.

While acknowledging that Casey, at the request of the White House, had asked him to delay the testimony of several witnesses, Sporkin wrote that Casey accepted his decision to proceed immediately with the interviews.

Friends of Casey have said that he believes Sporkin's determination to proceed saved him from serious embarrassment and possible involvement in what could have become a scandal.

New York Times Service

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THE NEW YORK TIMES  
21 April 1981

## Head of Securities Agency Inquiry Reported Chosen as C.I.A. Counsel

By PHILIP TAUBMAN

Special to The New York Times

WASHINGTON, April 20 — Stanley Sporkin, who has directed investigations of corporate dishonesty for the last seven years, has been appointed general counsel of the Central Intelligence Agency, according to Reagan Administration officials.

The unexpected appointment has not been formally announced but is scheduled to become effective in mid-May. It is likely to generate controversy in the intelligence community because of Mr. Sporkin's longstanding identification with openness in business and government as chief of enforcement for the Securities and Exchange Commission.

As the C.I.A.'s senior legal officer, the general counsel is the Government's leading intelligence lawyer and plays a central role in the formation of intelligence policy. The general counsel, officials said, is often called on to review the legal ramifications of the intelligence agency's operations and to provide formal justification for withholding certain intelligence information from other Government agencies or the public.

William J. Casey, Director of Central Intelligence, personally selected Mr. Sporkin for the job, Administration officials said. They two men worked together from 1971 to 1973, when Mr. Casey was chairman of the securities commission.

The general counsel's job is not subject to Senate confirmation. As a result, any opposition to the appointment would have to be taken directly to Mr. Casey, who reportedly has wanted Mr. Sporkin for the job since taking over the intelligence agency in January.

The two men apparently reached an agreement within the last several weeks. According to close associates of Mr. Sporkin, he had grown increasingly unhappy at the securities commission in recent years and had complained privately about diminishing support for enforcement activities.

Mr. Sporkin, reached by telephone today, said that he was "not prepared to make any comment at this time" about the appointment.

In the mid-1970's, when the enforcement division of the securities commis-

sion was most active, investigations directed by Mr. Sporkin led to revelations of extensive corruption by United States corporations, involving bribery overseas.

Some of the nation's largest corporations, including Exxon, Lockheed Aerospace and Gulf Oil, restructured their corporate governance to prevent further such payments.

The investigations gained Mr. Sporkin a reputation for stubborn independence among his admirers. His critics accused him of overreaching the securities commission's authority.

At the C.I.A., intelligence officials said, Mr. Sporkin will face several difficult issues, many of which may require him to alter a lifetime of support for open government and maximum disclosure of information.

The C.I.A. and other intelligence agencies, for example, have sought to limit public access to their files under the Freedom of Information Act. Arguing that agents of foreign governments could obtain information potentially damaging to the United States, intelligence officials would like to amend the law to make the intelligence agency immune to such requests.

According to officials at the securities commission, Mr. Sporkin opposed an effort by that agency to limit access to information under the Freedom of Information Act.

Mr. Sporkin will also be involved in establishing a legislative charter to govern the intelligence agencies. This effort,

which began in the Ford Administration, has foundered in Congress. As general counsel, Mr. Sporkin will be the focal point for the intelligence community's involvement in charter deliberations.

When he begins work at the agency, Mr. Sporkin will quickly be drawn into a continuing debate over whether restrictions on the C.I.A.'s domestic and overseas surveillance of Americans should be relaxed by Presidential order. The Reagan Administration is currently reviewing the restrictions imposed by President Carter.

Another issue concentrated in the general counsel's office, officials said, is the extent to which the C.I.A. should cooperate with the Justice Department on prosecutions of present or former agency employees accused of espionage.

Such cases often strain relations between the two agencies, officials said, with the intelligence agency usually seeking to handle matters internally, whenever possible, to avoid disclosure of sensitive information in public trials.

When Mr. Casey was being considered for Director of Central Intelligence by the Senate, Mr. Sporkin supported his nomination in a letter to Senator Daniel P. Moynihan, Democrat of New York. Writing at the request of the Senate Intelligence Committee, Mr. Sporkin described Mr. Casey as "an able chairman and a fine person."

Mr. Sporkin also addressed allegations that Mr. Casey attempted in 1972 to limit and delay an securities commission investigation of Robert L. Vesco, the financier accused of stealing millions of dollars from an international mutual fund.

THE WASHINGTON POST  
 20 April 1981

*Rowland Evans  
 And Robert Novak*

## Helms Versus Haig

The shadow of Jesse Helms over President Reagan's arms control policy was privately revealed when a State Department cable sent to U.S. allies inserted this sentence in the version publicly released in the United States: "No decision has yet been taken on our adherence to existing SALT agreements."

The March 4 cable was dispatched to contradict Secretary of the Navy John Lehman, who had announced there was no legal basis for the United States to continue honoring SALT I or SALT II. It said the United States would not "undercut existing agreements" so long as the Soviet Union did not either.

That cable, representing Secretary of State Alexander Haig's policy, was designed to placate NATO members, especially touchy West Germany. The domestic version, with the "no decision" sentence, was designed to placate right-wing Republicans led by Sen. Helms, who worry that Reagan's SALT policy has not yet taken a decisive turn away from Jimmy Carter's. Which version will be Ronald Reagan's ultimate policy has triggered an intense power struggle in Washington.

That struggle is Helms vs. Haig, but its roots are buried all through the capital. Haig's State Department and the Central Intelligence Agency are in combat against top officials of the Arms Control and Disarmament Agency. The ACDA officials, carryovers from the transition, are closely tied to Helms' conservative Republican bloc in the Senate but may soon be replaced by permanent arms control officials in tune with Haig.

Helms is plotting a counterattack against Haig's position on sticking to SALT I and the unratified SALT II for now, with ramifications that will compound Haig's problems with the European allies. If he proves that the Soviets have systematically violated SALT agreements, Helms could force Reagan into a confrontation not only with Moscow but also with Bonn.

Helms opened early this month with a letter to the hard-line, acting director of ACDA, Michael Pillsbury, asking for a complete report on one of the most sensitive SALT issues: verification by the United States of Soviet compliance—or Soviet cheating.

Coincidentally, a Pillsbury deputy, ACDA counselor David Sullivan, is putting finishing touches on a study that documents 23 alleged SALT violations by the Russians. Although ex-CIA analyst Sullivan is known as a hard-line, anti-Soviet ideologue, no serious student of SALT doubts his competence. His study in the hands of Helms and other anti-SALT Republican senators could close off Reagan's SALT options.

In fact, Pillsbury laid out the argument for Soviet cheating in his April 14 reply to Helms: "We are unable to reassure you that these agreements are adequately verifiable at the present time." An amendment to the law that established ACDA asserts that "adequate verification of compliance should be an indispensable part of any international arms control agreement." It orders the ACDA director to so "report" to Congress.

Even before Helms' request was sent to Pillsbury, the CIA was harassing Sullivan's study of Soviet violations. Reagan's appointed CIA director, William Casey, has not shown his hand. But at CIA's working-group level, staffed by holdovers from the Carter administration, the effort to silence Sullivan is intense. They reflect the CIA's habitual caution in dealing with the touchy violations issue.

The clock is running against the hard-liners. Reagan is ready to nominate an establishment conservative Democrat, law professor Eugene Rostow of Yale, to be permanent ACDA director. Pillsbury may not survive as deputy director. It is not even certain that he, Sullivan and other hard-liners will remain in the agency.

But nobody can make the clock run more slowly than Jesse Helms. He will put a hold on Rostow's nomination just as he has on seven other presidential nominations (most of them Haig's recommendations) to State Department positions, paralyzing the department's operations. The source of all this is the unrequited expectations of Helms and other conservatives arising from the president's campaign oratory.

Helms' move against Haig's deliberately ambiguous, cautious policy not to undercut "existing agreements" with the Russians is based on Reagan's campaign description of SALT II as "fatally flawed." The conservatives who helped elect Reagan have waited three months into his presidency for action to fit those words.

So far, Reagan has listened to Haig's advice: If the United States tells the allies prematurely what it really thinks about SALT I and SALT II, the alliance could be imperiled. Whether the president sticks with Haig's advice much longer is now in question, thanks to the formidable resources of Helms and his allies.

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THE WASHINGTON POST  
20 April 1981

# Assault on Terrorism: Intel or Witch Hunt?

First of two articles

By George Lardner Jr.  
Washington Post Staff Writer

Ever since it started issuing annual reports on the touchy topic of terrorism, the Central Intelligence Agency had never counted more than 188 terrorist attacks in a year throughout the world.

This year it has hit upon a startling new math. The CIA has suddenly discovered there were 760 international terrorist incidents in 1980 alone—and thousands of others in years gone by that it never bothered listing. Until now.

The escalation of the terrorist threat is just one facet of a new politics of paranoia sweeping Washington. Congressional investigations are being cranked up. Protests in the name of civil liberties are planned. Conservatives warn of dangers to national security. Liberals envision a new wave of "witch hunts."

At the CIA, the statistical revisionism coincides with the advent of the Reagan administration and its determination—proclaimed by Secretary of State Alexander M. Haig Jr.—to make international terrorism the chief concern of foreign policy.

On Capitol Hill, the first forum will be the newly created Senate subcommittee on security and terrorism. The chairman of the five-member panel is Sen. Jeremiah Denton (R-Ala.), who plans to begin hearings soon on "Soviet and surrogate support for international terrorism," an issue that foreign policy hardliners feel has been shamefully neglected in recent years.

The CIA report should add fresh dimensions to the problem. Officials say the text has somehow become "stuck" somewhere at agency headquarters, but it should be made public shortly.

When it does come out, officials say, it will contain charts and graphs showing 5,954 terrorist attacks throughout the world between 1968 and 1979. Last year's report showed 3,336 attacks—for the same 12-year period. The new report also will show hundreds

more deaths and injuries at the hands of terrorists than the CIA has ever before suggested.

"They've thrown in things they didn't use to throw in," a State Department expert said approvingly. "Instead of using a standard of 'significant' terrorist activity, they're using more universal criteria. We encouraged them to do it."

Some critics see the new Senate subcommittee as a reincarnation of the old internal security subcommittee that used to hold extensive hearings on "subversive activities" and "subversion in government."

Senate Judiciary Committee Chairman Strom Thurmond (R-S.C.), who served on the old subcommittee before it was eliminated in 1977, seems to share that view, and not with dismay.

"I have felt for some time that it should be reinstituted and when I became chairman, I did reinstitute it," he says. "It's not going to be a witch hunt. It's not going to assassinate people's characters. It's just going to get the facts."

Denton voices similar assurances, although terrorism is far from his only field of interest. A retired admiral who spent seven years and seven months

as a prisoner of war in North Vietnam, Denton also intends to look at the performance of the American press on some sensitive subjects.

He says he can still remember how galling it was to be told by his captors that the U.S. press or politicians were taking up the same themes he'd heard days earlier from Radio Moscow or Radio Hanoi.

"I don't believe it's a matter of con-

concerted propaganda campaign, employing the same placards and the same slogans around the world.

Back in the 1950s, Sen. Joseph R. McCarthy (R-Wis.) and his allies used to denounce such phenomena as evidence of a so-called "transmission belt" between Soviet Russia and sympathizers in the United States. Now it has an even more ominous set of labels. It is "disinformation," planted and nurtured by "agents of influence."

Among his first witnesses, Denton said in an interview, will be such people as Claire Sterling, author of *The Terror Network*, and Arnaud de Borchgrave, co-author of *The Spike*.

Both books are rave items in conservative circles, fueling the new alarms about the threat of terrorism and other insidious influences. Sterling's book lays out a pattern perhaps best summed up by the announced subject of Denton's first set of hearings: "Soviet and surrogate support for international terrorism." De Borchgrave's novel is about a Kremlin "blueprint" for taking over the West with the help of KGB dupes and agents of influence in academia, the press and even the White House.

"If we used the classic witnesses, from the intelligence agencies, I think they'd be looked on as representing vested interests, as not as objective as they should be," says the Senate subcommittee's chief counsel, Joel S. Lisker, a veteran of the FBI and the Department's internal security section. He said journalists such as Sterling and de Borchgrave "will be taken more seriously" and "bring a

16 April 1981

# Who's who in White House pecking order

Meese, Baker, Deaver issue orders, make many decisions

By Godfrey Sperling Jr.

Staff correspondent of

The Christian Science Monitor

Washington

After a quick shakedown period, it is obvious who the most influential people in the Reagan administration are.

On a continuing basis, the so-called "big three" — White House counselor Edwin Meese III, chief of staff James A. Baker III, and deputy chief of staff Michael Deaver — are, and probably will remain, the prime wielders of influence that comes from close contact with a president.

Vice-President George Bush, in the aftermath of the assassination attempt against Mr. Reagan, moved close to holding the country's reins. But Mr. Bush, while assuming many day-to-day duties of the President, has been more of a pinch-hitter than an adviser. As time goes on, this role will recede to some degree.

Those who have watched the Reagan administration closely, especially since the shooting, are unanimous in saying it is Mr. Meese, Mr. Baker, and Mr. Deaver who have, almost like a corporate board working under the president of a firm, kept the executive branch running.

Their primacy is seen in the acknowledgment of the very term "big three," not only in the White House but also among Cabinet members. Defense Secretary Caspar W. Weinberger referred to them in this manner at breakfast with reporters the other day. And in his daily briefings, acting presidential press secretary Larry Speakes uses the term again and again.

Meese, Baker, and Deaver speak quietly and humbly about it all. They insist their roles are solely administrative and that they do not exert influence. But Reagan depends on them to keep him posted on an early-morning, late-afternoon basis every day about what is going on in the world, what his problems are, and what action is needed.

As the three men keep the government moving, they have only to refer to the President on broad questions of policy — making decision after decision themselves. It's "implementation," one of them told the Monitor the other day. "We only carry out."

But President watchers use the term "carry-out" function is so broad that Meese,

Baker, and Deaver almost inevitably and without evidencing any grab for power are exerting tremendous influence — reflective power that allows them to issue instructions and orders that carry tremendous weight.

Beyond them — and, of course, Bush — the most influential of the President's men appear to be shaping up as follows:

No. 5: Secretary Weinberger, a longtime close friend and associate of Reagan, whose pronouncements on foreign policy of late have been upstaging Secretary of State Alexander M. Haig Jr.

Weinberger insists that what he been commenting on "pertains only to defense." But observers see him playing a continuing role both in advising on foreign policy and in speaking out on the administration's position on many foreign policy issues.

Defense policy and foreign policy are often almost the same, one observer points out, adding: "So if the President wants to elevate Weinberger into the foreign field, it is easy for him to do so. And I think that's what he is doing."

Nos. 6-10: There is almost a tie, it seems, among Treasury Secretary Donald T. Regan; Secretary Haig; Central Intelligence Agency Director William Casey; Attorney General William French Smith; and US Sen. Paul Laxalt of Nevada, who is not in the administration but is a close friend and adviser of the President.

Secretary Regan quickly won the respect and admiration of the President. Haig is highly influential simply because his job is so important. The other three have access and advisory power because of their long associations with Reagan.



# Destinations, Origins of Administration Species

By Boris Weintraub  
 Washington Star Staff Writer

INCOMING

OUTGOING

## AGENCIES

### CENTRAL INTELLIGENCE AGENCY

**WILLIAM CASEY**

Director

New York lawyer, Reagan campaign aide.

**STANSFIELD TURNER**

Director

Writing.

### STATE DEPARTMENT

**JOHN H. HOLDBRIDGE**

Asst. Secretary, East Asian and Pacific affairs

CIA officer, ex-ambassador.

### DEPARTMENT OF DEFENSE

**FRANK CARLUCCI**

Deputy Secretary

A deputy director, CIA.

Where have you gone, Mrs. Robinson? Into consulting work, probably, along with Anne Wexler, and F. James Rutherford, and Ruth Clusen, and Sterling Tucker, and Arnold Packer, and Jordan Baruch, and oh, so many others.

And where are these newcomers from? From well-paying business corporations or business trade groups, probably, like Alexander Haig, and Richard DeLauer, and Judith Connor, and Caspar Weinberger, and John Crowell Jr., and Richard Lyng, and R.T. McNamar and the rest.

The Washington Star has surveyed the professional destination points of top-ranking people in the Carter administration — surely you remember the Carter administration? — and the professional points of origin for the Reagan people, those who have been nominated so far, at least. It has been a tedious task because no one keeps any lists.

Those surveyed include the leading White House staffers, those in the Cabinet and sub-Cabinet jobs in each department down to the rank of assistant secretary, the top office-holders in the United Nations delegation and the Office of Management and Budget and a large number of the independent agencies and regulatory commissions and the flotsam and jetsam of Washington bureaucracy.

The results of the survey of more than 300 people lead to some surprising discoveries, along with some that are not so surprising. One discovery was that people can hold top jobs in the federal government — well-paying, responsible positions with the potential for great impact for millions — for four years and barely make a dent in the public consciousness. It is amazing how many of the outgoing Carter people were virtual unknowns, so far as the general public is concerned.

Many of the recently departed have no permanent jobs as yet, though some may have taken employment since they were called recently. Some of these have temporary fellowships, or are planning to write about their experiences, or are temporary consultants, until they decide on a way to go.

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U.S. NEWS & WORLD REPORT  
13 April 1981

# Washington Whispers.

## Backbiting Inside the CIA

Top intelligence officials complain that William Casey, CIA director, responds sarcastically when analysts produce conclusions that run counter to the administration foreign-policy line. The danger, as these officials see it: Independent analysts will be reluctant to speak their minds.

SAN JOSE NEWS (CA)  
10 April 1981

# CIA chief blasts high-tech firms for selling technology abroad

By Bruce Entin  
Business Writer

DALEAS. — The director on the Central Intelligence Agency sharply criticized American electronics companies and federal regulatory agencies for allowing Japan to muscle in on the lucrative high-technology market.

CIA director William J. Casey said Thursday firms in Silicon Valley and elsewhere have invited intense competition by voluntarily selling technology to foreign competitors. The technology, he said, is sold in the "naked form" of patents, licenses and know-how.

He also attacked government bureaucrats for waging an anti-trust battle with computer giant IBM Corp.

He hinted such action is unfair because IBM needs to be big to compete with Japanese firms that get government support.

In remarks prepared for delivery to the International Trade Conference here, Casey said the U.S. electronics industry in the last two decades has sold "from seven

to ten times as much advanced technology in naked form as it bought."

By contrast, West Germany imports 2.4 times as much technology as it sells, and Japan imports six times as much, Casey said.

Neither country requires its electronics industry to share technological advances with foreign competitors, he added.

While most of the sales of U.S. technology are voluntary, Casey said he knows of at least 100 major companies that are under court decree to sell their technology to foreigners as a result of our anti-trust laws and regulations. He did not name any of those firms.

As a result of such policies, Casey believes American electronics companies are losing their lock on the worldwide market.

"The greater a manufacturing industry's sales of advanced technology in naked form, the less competitive it is likely to become once the transfer of technology is put to use abroad," Casey said.

Though Casey canceled his scheduled appearance at the con-

ference at the last minute, the speech he intended to make was distributed to 400 business executives in attendance.

Casey also attacked on managers at electronics companies and policymakers in Washington for failing to recognize that they are dealing in a marketplace not confined to the U.S. alone.

"Too many American firms plan and price (their products) in terms of the domestic market and view the foreign market as an add-on to be picked up later. By that time," he said, "they are likely to find Japanese firms well-established in the world market and competing vigorously in the American market from a worldwide base."

"We know that Japan is taking dead aim, through government-subsidized research and government influenced consolidations to create more powerful competitors to take on IBM."

Yet despite this scenario, "our antitrust policy, ignoring the reality of the world market, seeks to break up IBM," he said.

PHILADELPHIA INQUIRER  
9 April 1981ADDITIONAL INFORMATION  
ON FILE 11-A.

## Bill helping protect CIA is assailed

By Barton Reppert

Associated Press

WASHINGTON — Major civil liberties and journalists' organizations told Congress yesterday that a bill backed by the CIA to outlaw public identification of undercover U.S. intelligence agents would seriously infringe on First Amendment rights.

"It will chill public debate on important intelligence issues and is unconstitutional," declared Morton H. Halperin, speaking for the American Civil Liberties Union before a House Intelligence subcommittee.

Halperin also said that the legislation would be powerless to prevent the direct exposure of agents' identities in publications abroad.

"What we have here," he said, "is a bill which is merely symbolic in its protection of agents but which does violence to the principles of the First Amendment," which, among other things, guarantees freedom of speech and freedom of the press.

Halperin noted that there were already extensive, readily available data that could be used to pinpoint CIA employees under "light diplomatic cover" in U.S. embassies around the world.

Criticism focused on provisions under which the government could prosecute individuals who have had no access to official secrets but who still manage to pinpoint intelligence agents by using openly published information.

Such defendants could face up to three years in prison and a \$15,000 fine if the prosecution could show that they exposed agents' identities with intent to "impair or impede the foreign intelligence activities of the United States."

On Tuesday, CIA Director William J. Casey declared that the legislation is urgently needed to help combat "a coterie of Americans" bent upon destroying the nation's intelligence agencies.